US EXECUTIVE APPROVAL FORM

CUSTOMER NAME: Teradyne Corporation
PARTNER/VAD NAME:

SECTION I - Approval Requests:

REQUEST #3 27-August-2003

1) Requesting inclusion of standard Electronic delivery language for this order so that customer can avoid sales tax liability. We will work with Bob Kahler and Matt Mayerson on additional approvals.

2) "Upon Customer's request, Oracle shall make such Programs available to you for electronic delivery provided electronic download of such Programs is generally avaailable." This is applicable to OD Section C2: Additional Licenses.

3) Product mix and counts have changed somewhat. Customer has added three HR module line items (irecruitment, iLearning, Training Admin), but lowered amounts of $MCOGS being bought. List license is lower ($2,665,000 vs. $3,035,000), discount is lower (worst case 70%, on the table dset is 65%). Net License is slightly higher with the on-the-table discount. Overall effective discount of 80.3% on License, after taking into account 100% discount on like-for-like items. Net L for the on-the-table deal is $613K (up from $591K before changing counts and product mix). Body of approval has been updated to reflect the new product mix, counts, $ amounts, and discount.

4) Request HQAPP approval to include "Oracle will obtain prior consent" to all the Customer Reference language in the OD.

5) Customer is purchasing the APS line items which have a $MCOGS metric for two specific divisions and not for entire company use. The divisions are: Semiconductor Test Division and Assembly Test Division and the contract will specify that these COGS-based products are licensed for these two specific divisions only . $MCOGS counts for ASCP and CBO will be lower, reflecting the $200 $MCOGS already owned.

6) Customer requesting that we clarify that programs on the Price Hold Exhibit are "Perpetual".

REQUEST #2: Approved by HQAPP 27-August-2003

Approval chain please note: customer has other issues under discussion and further approvals (consolidated list) will follow after a negotiating round this afternoon, but contracts suggested we send this request up immediately in order to give M&D a headstart on order logistics.

One new request, no other changes to body of the approval.

1) Customer is an existing Oracle Apps customer adding additional modules. Requesting HQAPP approval for Electronic Delivery so that customer can treat the transaction as a non-taxable event from a state sales tax point of view. Customer understands that we remain silent on tax eligibility, and that ultimately the matter is between customer and the Comm. of Mass., but they do ask for Electronic Delivery so they can make the case for themselves.

REQUEST #1: Approved by HQAPP 8/21/03 with the comments below:

GOVERNMENT EXHIBIT
P1116

GOVERNMENT EXHIBIT
215
Pope

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This is approved by LJE with the following comments.

1) We want to do the option where we charge them the extra support. We know that we are giving them a higher discount in exchange for replacing psft licenses (of which they are currently paying support on) so it is reasonable for us to capture that support just as if we were doing a rollin of our own licenses. (Elisa, Tom Olinger has been contacted and is OK with us doing this in some cases. I saw your email and wanted you
to be aware that we have run this general scenario by him already. If you have questions, let me know.).

We should be trying to capture that extra support in these situations.

2) We would like wording added explaining they will go off and terminate at lest some of their psft licenses that match up to what we are replacing here.

Tracy Welsh wrote:

Is #2 a requirement? Sales would like to stay slient b/c Teradyne will need at least the next 6-9 months to implement/switch over to Oracle apps we also don't want to appear that we're dictating to customer whom they can do business with and when they need to cut off their PSFT suppt. How about if we put language in the contract stating that the discts are offered 1x b/c customer's represented to Oracle that they intent to replace PSFT licenses w/like Oracle apps? Amy and I have already talked to revrec and sales about this concept and they were ok if you are.

Tracy - We are OK with the alternate wording you propose below as long as REVREC is. Approved.

Brian.

HQAPP Request:

1) This deal is a competitive Peoplesoft replacement along with Advanced Planning modules to extend the customers investment in the Oracle e-business suite. We are replacing Peoplesoft modules HR, Benefits and Payroll with Oracle HR equivalents. The customer is aware of our plans for a like-for-like replacement. Per the new policy, will will provide Psft like-for-like items at an effective 100% license dsct. however support for the like-for-like items will be paid at the deal discounts.

2) An effective overall license discount of 83%, 3 like-for-like items at 100% license discount, all other line items at 75% (worst case)

3) Support cap at 0% for three years (two renewals), 4% for years four and five

TIER 2Requests:

Price hold for 2 years at 45%, subject to a $100K minimum net License buy, on the following modules: iRecruitment. Training Admin, iLearning, HR, Advanced Benefits, Payroll, SS HR, OTL, HR Intell, Adv. Supply Ch. Planning. Const Based Optimization. Invty Optimzn, Global Order Promising, Collaborative Planning.

Previously approved requests within same quarter for same deal (include date of approval):
1.
2.

SECTION II – Deal Summary:
(NOTE – SALES TEAM NEEDS TO REVISIT THE COGS LINE ITEMS. THEY DO NOT MATCH, AS JW POINTED OUT AND THIS NEEDS TO BE FIXED. MAY BE A TYPO ONLY, MAY NEED TO RECALCULATE)

Deal Summary (modify as deal changes to reflect your worse case)			
Product Mix:	Human Resources	6,800	person
	Advanced Benefits	6,800	person
	Payroll	5,000	Person
	IRecruitment	6,800	Person
	Training Admin	3,000	Trainees
	ILearning	3,000	Trainees
	Self Service HR	6,800	Person
	Oracle Adv SCP	$ 200	$M COGS
	Constraint Based Optmzn	$ 200	$M COGS
	Inventory Optimization	$ 400	$M COGS
	Global Order Promising	$ 400	$M COGS
	Collaborative Planning	$ 400	$M COGS
License Discount	80.3 % (ebiz + 55.3 %)		
Support Discount	80.3 % (ebiz + 55.3 %)		
Comp & Admin Discount	N/A		
Phased Implementation for Comp & Admin?	N/A		
Support Options/Holds	3 yrs from effective date at 0% cap. years 4 and 5 at 4% cap		
Price Holds	2 yrs at 45% on specific modules		
List License	$2,665,000		
List Support	$586,300		
List Comp & Admin	N/A		
Net License	$525,900		
Net Support	$ 175,890		
Net Comp & Admin	N/A		
Net Price	$ 701,790		
Price List Used (specific date)	June 30, 2003		

Migrations	
Does deal include migration (y/n)	No
Discount on migrated licenses	
Migration support - before	
Migration support - after	

Customer history	
Existing contractual discount (price hold)	None
Date of Price List for price hold	
When does price hold expire?	
Price hold program categories (database, server, erp, crm, hr/payroll, app suite)	
Name of Agreement, if applicable	

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SECTION III - Justification:

Teradyne is an Oracle ERP and Peoplesoft HR user. Psft's de-support of Psft Payroll 7.5 in April 2004 is forcing Teradyne to upgrade to Psft 8, and customer is evaluating upgrading to Psft8 vs. migrating to Oracle HR/Pay. License cost from Psft is nil, and so I am requesting a relatively deep discount given the level of desperation at Psft, and the un-natural acts they are committing in the field. An Oracle win would knock Psft out of the account altogether.

Teradyne is current on its Oracle annual support fees of $1.95 million.

Discounts and terms requested above are worst case.

The mgmt approval chain and HQAPP should be aware that customer is requesting a number of terms (see table below) to which we have responded with polite "no's". This tenor of the negotiation is that Oracle is not agreeing to the great majority what Teradyne requests and what Teradyne claims other vendors have provided. (In particular, Teradyne claims Psft permits true downs without support reinstatement penalties in units of 1200 employees for HR modules).

Teradyne request	Oracle Response
Teradyne's contract with Oracle was written in 1996 and needs to be updated, so assume a contract negotiation will be part of the process. Teradyne would like it's support fees to match it's current use of Oracle vs. its licensed quantities.	We are politely declining to re-write the SLSA. Current deal is more favorable than actual counts at e-bus discounts.
The definition of an employee from a license perspective will be current W-2 employees (or the equivalent in foreign countries). Former employees, Consultants and third party temporary employees will not apply against Teradyne's Oracle headcount	We are politely declining to re-define any of the standard definitions
Teradyne requires the right to annually true down as headcount changes without losing the value of the license	Teradyne sales are down 65% from 2000 and CFO is struggling to match sg&a to revenue. Nonetheless, we will politely decline
Teradyne requires the right to annually de-support specific modules with some reasonable re-instatement fee as an option	We have politely declined to change our standard policy
In a previous purchase Teradyne purchased three business intelligence modules by mistake. Teradyne requires that Oracle provide some "trade-in" methodology to leverage those purchases into this purchase.	In the 2000 deal for $6.8M TER bought $263K of BIS – and didn't mean to. We have declined to adjust the support fee in their favor per previous requests and we are politely declining to consider this request.
Teradyne requires a product Warranty with "strict conformance" as a standard to assure that the product works as sold and a remedy that covers all of Teradyne's implementation costs not just the license purchase price.	We are politely declining this change and any others to the definitions in the existing SLSA.

Recommendation: (leave blank for HQAPP to fill out)

Submitted By: (fill in rep name and AVP name here)
Field RM name if submitted by OracleDirect:

R: (leave blank for HQAPP to fill out)
C:

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L:

A:

BP:

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PLEASE NOTE THAT HQAPP WILL NOT REVIEW ANYTHING BELOW AND NOTHING BELOW WAS CONSIDERED FOR THEIR APPROVAL. ONLY DETAILS IN THE REQUEST SECTION (SECTION I) ABOVE WERE CONSIDERED IN THE APPROVAL GRANTED.

SECTION IV – Computer and Admin Services:
(Delete this section if not applicable)

not applicable

SECTION V – Ordering Document Details

Instructions - Fill in all sections completely.

APPROVAL REQUIREMENTS - Refer to the Approval Matrix at http://esource.oraclecorp.com
PRICING REQUIREMENTS – Refer to Price List and Price List Supplement for minimums and prerequisites.
PRICING SPREADSHEET – Include a pricing spreadsheet showing all products, quantities, license types, pricing, and discounts. Indicate if discount for drafting contract differs from approved discount.
MIGRATIONS - If your deal contains a migration, you must submit a Migration Worksheet to the ELM (eBusiness License Migrations) team. Refer to http://nafo.us.oracle.com under the Contract Management tab and e-Business License Migrations header to download the spreadsheet and for additional information.

Note: All business approvals & quotes are valid through the quarter they were approved, unless a formal RFP or Tender requires a longer validity period.

General Information	
Contract requested by (August 5, 2003): After all approvals are obtained - Allow 24 hours for standard contracts and 48 hours for non-standard contracts.	
Opportunity I.D. (OSO Number):	719023
Is this a ship order?	_____ Yes X No
Deal Structure (indicate Direct, Pass-Through, Sublicense, or Trial License):	Direct
Is this deal the result of a compliance issue that LMS has been involved in?	_____ Yes _X_ No
Does deal contain new licenses with an *approved* non-supported license type (i.e. metric is not nor ever has been on Oracle's price list):	_____ Yes (specify non-supported license type and eBusiness license type used to determine conversion) X No
Quote Valid Through (insert date):	
Partner (insert name, if applicable)?	Margin or % of net license fees_____
VAD (insert name, if applicable)?	Margin or % of net license fees_____
PARTNER PAYMENT: If this is a direct deal, does it involve a Partner Referral Fee?	_____ Yes _X_ No

If yes, specify payment type:	___Applications Affiliate Fee ___ROP Fee *(GB Use Only)*
MIGRATIONS OR UPDATES:	Yes No
PREMIUM SERVICES:	Yes No
INCIDENT PACKS:	Yes No
INTERNATIONAL: Requires an International Notification Form to be forwarded to your manager, contract specialist, and NASINFO or OGEHINFO.	___Yes _X__No
Payment Terms:	_X__Net 30 ___Other (Specify)
Referenced Agreement:	___New OLSA _X_Other (Specify) SLSA-31-May-1990

Customer and Administrative Information – all fields must be filled in	
Customer's EXACT Legal Name:	**Teradyne Corporation**
Business Address:	321 Harrison Street
City / State / Zip:	Boston, MA 02118
Customer Contract Admin:	Robert Von Dohlen
Phone #:	617.422.3310
Fax #:	
E-mail ID:	Robert.von.dohlen@teradyne.com
Billing Contact:	Same as above
(Partner/VAD if Indirect):	
Address:	
City / State / Zip:	
Phone #:	
Fax #:	
E-mail ID:	
Tax Status :	Exempt ___ (Need certificate for ship to state if not on Oracle's Tax Exemption Log) Non-Exempt X
Shipping Contact:	**John Doherty**
Address:	321 Harrison Street
City / State / Zip:	Boston, MA 02118
Phone #:	617-422-3149
Fax #:	
E-mail ID:	**John.doherty@teradyne.com**
Technical Support Contact:	Mark Petter
Address:	179 Lincoln Street
City / State / Zip:	Boston, MA 02118
Phone #:	617.422.2295
Fax #:	
Email ID:	**Mark.petter@teradyne.com**
Partner Name (Indirect):	N/A
Address:	

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City / State / Zip:	
Contact Admin:	
Phone #:	
Fax #:	
E-mail ID:	

Education (EPPC)	
Education Prepaid Credit Amount:	$ 0
Education Discount:	0 %
Education Revenue:	$
Education Sales Rep:	

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PROCESSOR/NAMED USER PROGRAMS/COMPUTER PROGRAMS (REQUIRED INFORMATION)

Make and Operating System required for each program:

Make: HP

OS: HPUX

PROGRAMS

Programs being purchased this OD

Module	Psft Equivalents Owned by Teradyne	Count	Metric	List License Price Per Unit	List License Extd
Human Resources	Psft HR	6,800	person	$ 50	$ 340,000
Advanced Benefits	Psft Benefits	6,800	person	$ 40	$ 272,000
Payroll	Psft Payroll	5,000	person	$ 60	$ 300,000
Self Service HR	N/A	6,800	person	$ 35	$ 238,000
Training Administration	N/A	3,000	trainees	$ 30	$ 90,000
ILearning	N/A	3,000	trainees	$ 30	$ 90,000
iRecruitment	N/A	6,800	person	$ 50	$ 340,000
Oracle Adv SCP	N/A	$ 200	$M COGS	$ 1,500	$ 300,000
Constraint Based Optmzn	N/A	$ 200	$M COGS	$ 375	$ 75,000
Inventory Optimization	N/A	$ 400	$M COGS	$ 750	$ 300,000
Global Order Promising	N/A	$ 400	$M COGS	$ 300	$ 120,000
Collaborative Planning	N/A	$ 400	$M COGS	$ 500	$ 200,000
Total					$ 2,665,000

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Discount Treatment	License	Support
Human Resources	100%	75% (psft like for like)
Advanced Benefits	100%	75% (psft like for like)
Payroll	100%	75% (psft like for like)
Self Service HR (Manager & Employee)	75%	75%
Training Admin	75%	75%
Ilearning	75%	75%
IRecruitment	75%	75%
Oracle Advanced Supply Chain Planning	75%	75%
Constraint Based Optimization	75%	75%
Inventory Optimization	75%	75%
Global Order Promising	75%	75%
Collaborative Planning	75%	75%

Applications		
Will applications be modified:	Yes	X No
Will users be accessing modified Apps from the web:	Yes	X No
Have all prerequisites been included:	_X_ Yes	___ No
Will users use Fast Forward RPM:	Yes	X No
Will applications be hosted:	Yes	X No
Indicate database that Apps will run on:	On CSI below, named users	
Indicate CSI for existing prerequisite database and tools:	3194019	

Options not requiring HQAPP, Tier 1, or Tier 2 Approval	
(1)	
(2)	
(3)	
(4)	

Internal Administrative Information	
Applications Sales Manager	Jay Buchta
Technology Sales Manager	Brett Van Gelder
Account Manager	N/A
OracleDirect Rep	Tom Bagley
Education Sales Rep	
Support Renewals Rep	
Premium Support Rep	John Higgins
Migrations Manager	
Is there a teaming agreement?	___ Yes (if yes, list all appropriate reps) _X_ No
Requester:	Name: Jay Buchta Business Telephone: 781-744-0382

	Cell Phone:	781-710-6109

HIGHLY CONFIDENTIAL

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